

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

ELECTIONS, UNIT: S-7

(herein "Subject Drilling Unit")

DOCKET NUMBER VGOB-91/09/24-0143

VGOB-92/04/21-0221

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of § 7.c of the Virginia Gas and Oil Board Regulations, VR 480-05-22.2 by supplementing the Order previously issued by the Board for the subject Docket on October 24, 1991 and recorded at Deed Book 382, Page 19 and on June 5, 1992 and recorded at Deed Book 392, Page 322 in the Office of the Clerk of the Circuit Court, Buchanan County, Virginia on October 28, 1991 and June 9, 1992 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

2. Findings: The Board finds that:

(a) The Board Order directed Oxy USA, Inc. (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;

(b) The Designated Operator filed its affidavit of mailings dated December 2, 1991 and July 20, 1992 disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated April 29, 1993 accordance with 7.c of the Virginia Gas and Oil Board Regulations and VR 480-05-22.2 (herein "Affidavit of Election"), wherein it has, for each Respondent whose interests, if any, were pooled by said Board

Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interest as part of its Affidavit of Election. A copy of which is attached.

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow.

3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Tazewell National Bank, P. O. Box 909, Tazewell, Virginia 24651, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said Affidavits to receive such funds and account to the Board therefore.

4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed within seven (7) days from the date of receipt of this Order to each person whose interest or claim is subject to escrow and whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

6. Effective Date: This Order shall be effective on the date of its execution.


DONE AND EXECUTED this 20<sup>th</sup> day of Sept 1993, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler

STATE OF VIRGINIA)

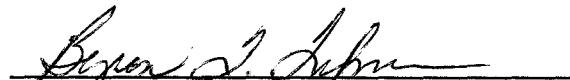
COUNTY OF WISE )

Acknowledged on this 20th day of October, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
 Susan G. Garrett  
 Notary Public


My commission expires 7/31/94

DONE AND PERFORMED this 20th day of October 1993 by Order of this Board.

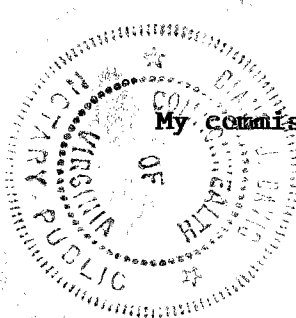
  
 Byron Thomas Fulmer  
 Principal Executive to the Staff  
 Virginia Gas and Oil Board

STATE OF VIRGINIA  
 COUNTY OF WASHINGTON

Acknowledged on this 20th day of October, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
 Diane J. Davis  
 Notary Public

My commission expires 9/30/97



VIRGINIA:

Exhibit A

## BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Buchanan Production Company for Forced Pooling of Interests in Unit Number S-7,  
VGOB Docket No. 91-0924-0143 & 92-0421-0220 in the South Grundy District of  
Buchanan County, Virginia

AFFIDAVIT OF OXY USA Inc. (herein "Designated Operator") REGARDING ELECTIONS, ESCROW  
AND SUPPLEMENTAL ORDER

Samuel E. Gordin (herein Affiant), being first duly sworn on oath, deposes and says:

1. That your Affiant is employed by OXY USA Inc., the Designated Operator, at its office located at 1600 Front Street, Suite 200, P.O. Drawer Q, Richlands, Virginia 24641, that your Affiant is the Designated Operator's Regulatory Affairs Coordinator, and is authorized for give this Affidavit in its behalf;
2. That the Order entered on October 24, 1991 & on June 5, 1992, by the Virginia Gas and Oil Board regarding the captioned (CBM or conventional) Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, your Affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that annexed hereto and incorporated herein are copies of the letters of transmittal, receipts for certified mail, and return receipts pertaining to said mailing;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on October 24, 1991 & on June 9, 1992.
5. That the Designated Operator, OXY USA Inc., has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election period:  
  
None.
6. That the interests and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia;

Tract 3

Buchanan County School Board  
and/or Buchanan County, Virginia  
P.O. Box 833  
Grundy, VA 24614

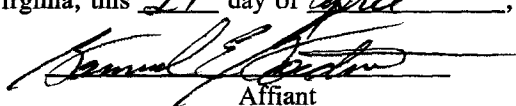
$1/8 \times 2.317/80 = 0.36203\%$

Courtesy Copy

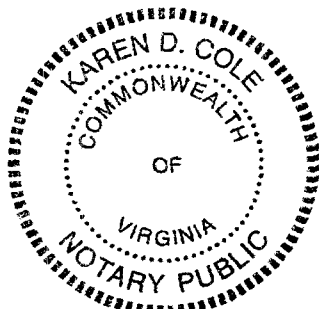
Street, Street, Street, Scott and Bowman  
339 West Main  
Grundy, VA 24614  
Attn: Mr. Tom Mullins

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interests and/or claims which are not subject to escrow and should, therefore, be dismissed as Respondents: None
8. That pursuant to the provisions of VR 480-05-22.27.C and VR 480-05-22.2.8, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth and identifies the conflicting claims and/or interests which require escrow of funds pursuant to the terms of §§ 45.1-361.21.D, 45.1-361.22.A.3 and 4.;


Dated at Richlands, Virginia, this 29 day of April, 1993.

  
Affiant

Taken, subscribed and sworn to before me by Samuel E. Gordin, the Regulatory Affairs Coordinator, of OXY USA Inc., a corporation, on behalf of the corporation, this 29 day of April 1993.



My commission expires: January 31, 1997

  
Notary

VIRGINIA. In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 29th day of October, 1993 11:14 A M.  
Deed Book No. 415 and Page No. 374.

TESTE: 

Clerk

2781  
2812

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CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA

this 29th day of Oct 1993  
at 11:14 o'clock A M.

Recorded Deed Book	Page
039 State Tax	
213 County Tax	
212 Transfer	
301 Recording	14.00
038 State Tax	
220 Local Tax	
145 VSLF	1.00
Total	15.00

Teste James M. Bevins, Jr., Clerk  
By LO DT.

Virginia Department of Mines, Minerals and Energy  
Division of Gas and Oil  
Charwood Bldg  
P.O. Box 1416  
Abingdon, VA 26009

2781  
2781

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CLERK'S OFFICE CIRCUIT COURT  
BUCHANAN COUNTY, VIRGINIA

Filed and admitted to record,  
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Total	<u>15.00</u>

Teste James M. Bevins, Jr., Clerk  
By 210 DTC.

Virginia Department of Mines, Minerals and Energy  
Bureau of Gas and Oil  
250 Charwood Drive  
P. O. Box 1416  
Abingdon, VA 26009